

By: Creighton, et al.  
(Turner of Tarrant)

S.B. No. 1490

Substitute the following for S.B. No. 1490:

By: Turner of Tarrant

C.S.S.B. No. 1490

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the authority of the Texas Higher Education  
3 Coordinating Board to authorize certain degree programs offered by  
4 private postsecondary educational institutions.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Section 61.303, Education Code, as amended by  
7 S.B. 1781, Acts of the 85th Legislature, Regular Session, 2017, is  
8 reenacted and amended to read as follows:

9 Sec. 61.303. EXEMPTIONS. (a) Unless specifically provided  
10 otherwise, the provisions of this subchapter do not apply to an  
11 institution that is fully accredited by, and is not operating under  
12 sanctions imposed by, a recognized accrediting agency, or an  
13 institution or degree program that has received approval by a state  
14 agency authorizing the institution's graduates to take a  
15 professional or vocational state licensing examination  
16 administered by that agency. The granting of permission by a state  
17 agency to a graduate of an institution to take a licensing  
18 examination does not by itself constitute approval of the  
19 institution or degree program required for an exemption under this  
20 subsection.

21 (b) The exemptions provided by Subsection (a) apply only to  
22 the degree level for which an institution is accredited, and if an  
23 institution offers to award a degree at a level for which it is not  
24 accredited, the exemption does not apply.

1           (c) Except as provided by Subsection (c-1), the [The] board  
2 may approve the issuance of a certificate of authorization to grant  
3 degrees [issue] to an exempt institution or person [a certificate  
4 of authorization to grant degrees]. The board may adopt rules  
5 regarding a process to allow an exempt institution or person to  
6 apply [~~for~~] and receive approval for a certificate of authorization  
7 under this section.

8           (c-1) The board may not approve the issuance of a  
9 certificate of authorization for an exempt institution to grant a  
10 professional degree or to represent that credits earned in this  
11 state are applicable toward a professional degree except to the  
12 extent allowed for an authorized institution operating under a  
13 State Authorization Reciprocity Agreement (SARA). In this  
14 subsection, "professional degree" includes Doctor of Medicine  
15 (M.D.), Doctor of Osteopathy (D.O.), Doctor of Dental Surgery  
16 (D.D.S.), Doctor of Veterinary Medicine (D.V.M.), Juris Doctor  
17 (J.D.), and Bachelor of Laws (LL.B.).

18           (d) The board by rule may require an exempt institution or  
19 person to ensure that the financial resources and financial  
20 stability of the institution or person are adequate to provide  
21 education of a good quality and to fulfill the institution's or  
22 person's commitments to its enrolled students and may require the  
23 institution or person to provide to the board documentation of the  
24 institution's or person's compliance with those requirements. Rules  
25 adopted under this subsection must:

26           (1) require the institution or person to maintain  
27 reserves, lines of credit, or surety instruments that, when

1 combined with tuition and fee receipts, are sufficient to allow the  
2 institution or person to fulfill its educational obligations to its  
3 enrolled students if the institution or person is unable to  
4 continue to provide instruction to its enrolled students for any  
5 reason; and

6 (2) require that the financial resources maintained  
7 under Subdivision (1) be conditioned to allow only the board to  
8 withdraw funds for the benefit of the institution's or person's  
9 enrolled students under the circumstance described by Subdivision  
10 (1).

11 (e) To enable the board to verify the conditions under which  
12 a certificate of authorization issued under this section is held,  
13 the board by rule may require an exempt institution or person to  
14 report to the board on a continuing basis other appropriate  
15 information in addition to the documentation required under  
16 Subsection (d).

17 (f) An exempt institution or person continues in that status  
18 only if the institution or person maintains accreditation by, and  
19 is not operating under sanctions imposed by, a recognized  
20 accrediting agency or otherwise meets the provisions of Subsection  
21 (a).

22 (g) The board by rule shall provide for due process and  
23 shall provide procedures for revoking or placing conditions on the  
24 exemption status of an institution or person or for revoking or  
25 placing conditions on a previously issued certificate of  
26 authorization.

27 (h) Under the rules described by Subsection (g), the board

1 may revoke or place conditions on an institution's or person's  
2 exemption status or certificate of authorization only if the board  
3 has reasonable cause to believe that the institution or person has  
4 violated this subchapter or any rule adopted under this subchapter.

5 (i) Before revoking or placing conditions on an  
6 institution's or person's exemption status or certificate of  
7 authorization under Subsection (h), the board must provide to the  
8 institution or person written notice of the board's impending  
9 action and include the grounds for that action.

10 (j) If the board places conditions on an institution's or  
11 person's exemption status or certificate of authorization under  
12 Subsection (h), until the board removes the conditions, the board  
13 may reexamine the applicable institution or person at least twice  
14 annually following the date the board provided notice under  
15 Subsection (i).

16 (k) A private postsecondary educational institution may not  
17 establish or operate a branch campus, extension center, or other  
18 off-campus unit in Texas except as provided by this subsection or  
19 the rules of the board. This subsection does not apply to a private  
20 or independent institution of higher education as defined by  
21 Section 61.003.

22 SECTION 2. Section 61.306, Education Code, is amended by  
23 amending Subsections (a) and (c) and adding Subsections (c-1) and  
24 (d) to read as follows:

25 (a) Subject to Subsections (c) and (c-1), the [~~The~~] board  
26 may issue a certificate of authority to grant a degree or degrees  
27 and to enroll students for courses which may be applicable toward a

1 degree if it finds that the applicant meets the standards  
2 established by the board for certification.

3 (c) The board may not issue a certificate of authority for a  
4 private postsecondary educational institution to grant a  
5 professional degree or to represent that credits earned in this  
6 state are applicable toward a professional degree if the  
7 institution is chartered in a foreign country or has its principal  
8 office or primary educational program in a foreign country.

9 (c-1) The board may issue a certificate of authority for a  
10 private postsecondary educational institution to grant a  
11 professional degree or to represent that credits earned in this  
12 state are applicable toward a professional degree only if the board  
13 determines that:

14 (1) the capacity and ability of similar professional  
15 degree programs at institutions of higher education and private or  
16 independent institutions of higher education are insufficient to  
17 meet the state's current market needs;

18 (2) the institution seeking the certificate of  
19 authority:

20 (A) has the necessary faculty and other resources  
21 to ensure student success; and

22 (B) is subject to and agrees to meet the same  
23 standards for approval and all academic criteria applicable to  
24 similar professional degree programs offered by institutions of  
25 higher education and private or independent institutions of higher  
26 education; and

27 (3) sufficient placements are available to students

1 for required field-based experience, such as clinicals or  
2 clerkships, for the proposed professional degree.

3 (d) In this section:

4 (1) "Institution of higher education" and "private or  
5 independent institution of higher education" have the meanings  
6 assigned by Section 61.003.

7 (2) "Professional [~~subsection, "professional~~] degree"  
8 includes a Doctor of Medicine (M.D.), Doctor of Osteopathy (D.O.),  
9 Doctor of Dental Surgery (D.D.S.), Doctor of Veterinary Medicine  
10 (D.V.M.), Juris Doctor (J.D.), and Bachelor of Laws (LL.B.).

11 SECTION 3. This Act takes effect September 1, 2021.